

Sponsored Projects Financial Management – FAQs

Welcome to the Research Financial Services LISTSERV series on “Sponsored Projects Financial Management” for answers to common questions. Sponsored project financial management requires the application of award terms and conditions along with Sponsor, Federal and Institutional policies and procedures. Note underlined sections are hyperlinks for further information.

(Previous FAQ editions [here](#))

Sponsored Project Financial Closeout



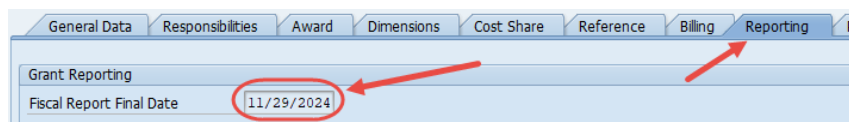
What is a sponsored project financial closeout? It is a process of reviewing all applicable expenditures (direct, indirect and cost share) for required work to meet the project’s scope of work. Receiving sponsor funds requires financial accountability as a recipient. The project closeout period is the timeframe in which to finalize expense postings. Outstanding corrections, including identification of absent project related expenses, and active encumbrances, need to be resolved and/or processed for posting.

Who should complete the financial closeout? Principal Investigators and departmental staff, per [reconciliation policy](#), are to validate expenses are accurate, complete, and follow [costing principles](#). [Collaborative Grant Services](#) (CGS) provides administrative support for most sponsored project activities. [Research Financial Services](#) (RFS) Grant Financial Administrators (FA) complete an overall financial compliance review before submitting final financial invoices and/or financial reports (“the final”).

When should the financial closeout review begin for a grant ending? Per policy, the project’s ongoing financial review should occur no less often than monthly. It is recommended to begin the financial closeout review 60 days prior to the budget end date. This allows ample time to complete the review and resolve outstanding items before the FA begins their closeout process. Keep in mind the department’s closeout process begins before the budget end date and continual review should occur and include ongoing transactions (purchases, payroll, etc) until the project is fiscally closed.

How do I find the due date for “the final?” The sponsor’s terms and conditions within the contract/award will state when “the final” is due. The [Office of Sponsored Project Administration](#) (OSPA) sets the final financial reporting date based on the sponsor’s terms up to the University’s default 90-day date. The final financial due date can be found on the PADR and SAP tcode GMGRANTD reporting tab, as shown below).

ACCOUNT INFORMATION		
1	Billing Rule	RRB-Non Letter of Credit (0001)
2	Final Fiscal Report	11/29/2024

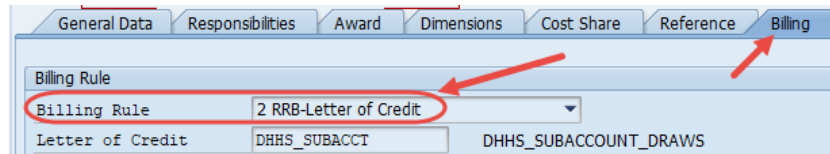


The screenshot shows the SAP GMGRANTD Reporting tab. The 'Reporting' tab is selected. Under 'Grant Reporting', the 'Fiscal Report Final Date' is listed as 11/29/2024. Red arrows point from the date in the table above to the date in the screenshot.

What if the award has less than the standard 90 days to submit “the final?” A shortened window of time to submit the “the final” affects the Department’s, CGS’ and the RFS FA’s review timeframe. The Department should begin their

financial closeout review process before the budget end date to allow more time to resolve outstanding action items. Expect an overlap of responsible areas working on their respective reviews at the same time. Communication with the RFS FA is essential to ensure appropriate expenses are captured in “the final.” The benefit of beginning the review ahead of the budget end date is it results in fewer transactions to review and fewer action items to resolve once the grant ends.

When should the financial closeout be completed? The timeframe between the grant budget end date to “the final” due date is shared between the Department, CGS and RFS. The Department and/or CGS should complete their review prior to the calendar month “the final” is due to allow the FA sufficient time to work with the Department on questionable expenses and complete “the final” documents. If the award lists billing type “letter of credit,” as shown on GMGRANTD billing tab, the FA must also request a final payment **and** allow time for the payment to post before “the final” can be submitted.



The screenshot shows the GMGRANTD Billing tab interface. The 'Billing Rule' dropdown menu is highlighted with a red circle and a red arrow pointing to it. The selected value is '2 RRB-Letter of Credit'. Below the dropdown, the 'Letter of Credit' field is set to 'DHHS_SUBACCT' and the 'DHHS_SUBACCOUNT_DRAWS' field is empty.

What should be reviewed as part of the financial closeout? A financial closeout review is similar to the monthly [reconciliations](#), however, all [pending expenditures](#) and corrections may need to be posted or removed. RFS sends an email to relevant key personnel, CGS, and other staff roughly 60 days before a grant’s budget end date. The email includes an extensive list of items to review for a successful closeout process. Limited example list of topics to review:

- Review [budget versus expenses](#). Work with OSPA and/or CGS on expenses without budget to determine if allowable. If allowable, process budget revisions. If [unallowable](#), a cost transfer JV needs to be submitted ASAP.
 - Complete a [period of performance](#) review. Validate all expenses incurred during the budget period, including any pre-award allowance. Expenses posted after the budget end date should receive additional attention to ensure the expense was received and used, or services rendered before the budget end date. Cost transfer JVs need to be submitted for unallowable expenses (expenses that do not follow [costing principles](#)).
 - Examine [payroll](#) charges for accuracy, validate all corrections have processed, and [available ECC payroll confirmation reports](#) are complete. Payroll adjustments via CDEM need to be completed before the [next payroll cycle](#). Payroll corrections required via a Z4 cost transfer JV and STEPS corrections via a SA cost transfer JV need to be submitted as soon as possible and monitored until posted.
 - Review subaward purchase orders. [Verify all invoices](#), including the final invoice, are posted, have been reviewed for completeness and accuracy, and [approved by applicable SIR](#) and PI. If the final invoice has not been received, communicate with the Subawardee(s) when their final invoice is due which differs from when “the final” is due to the sponsor. The subawardee final invoice due date will be listed in the subaward agreement(s).
 - Review all other purchase orders for completeness. Applicable goods receipts must be entered, invoices were entered by AP and unfulfilled/cancelled items liquidated. Reference the [Purchasing service guidance](#) on PO encumbrance management.
 - Review faculty, staff, and student travel arrangements are allowable, applicable and expenses posted. Any unposted travel expenditures ([guidance how to find concur items here](#)) need to be processed as soon as possible.
 - Review unprocessed concur transactions or reports related to the project to determine if departmental action is needed. Promptly make necessary changes and resubmit. Any unposted concur transactions are subject to be excluded from “the final.”
 - Verify any [program income](#) earned during the project’s budget period has been received, deposited, and managed according the award terms and conditions.
 - Review [cost share](#) commitments (as shown on PADRs and GMGRANTD Cost Share tab) are [met and fully funded](#).
- **Important reminder:** Cost share expenses must also follow [costing principles](#), and any deemed unallowable need to be removed.

General Data							Responsibilities							Award							Dimensions							Cost Share							Reference							Billing						
Cost Share Data																																																
Me...	CS Method Text	Repo...	Description	Perc...	Y...	Amount	Propos...																																									
F&A	FACILITIES & ADMI...	<input type="checkbox"/>	F&A on Cost Share																																													
FES	FACULTY EFFORT SY...	<input type="checkbox"/>	PI			4,971.00																																										
FES	FACULTY EFFORT SY...	<input type="checkbox"/>	Faculty			5,013.00																																										

What if an item ordered has not shipped yet? Items ordered, arrived, or services completed after the grant’s budget end date are typically unallowable on the grant because it does not meet the [definition](#) of incurred within the period of performance. If no goods receipt AND no invoice receipt have posted to the PO prior to the project’s budget end, the cost object should be changed to a cost center or appropriate grant.

What happens if there are unresolved / outstanding expenses? The RFS FA begins their closeout process within the month “the final” is due. Expenditures that post after the review begins are at risk of being excluded from “the final.” Once “the final” is submitted, it is an audit risk to submit revisions. Therefore, any expenditures not included in “the final” are removed and charged to the department’s overrun cost center.

Can the FA delay submitting “the final” until final expenses post? No. Failure to submit invoices and/or reports by their due date may result in the sponsor not paying the invoice. Additional impacts could include corrective action plans and/or affect future funding opportunities for the Department or University through suspensions or terminations.

Additional Resources:

- RFS: <https://www.uky.edu/ufs/research-financial-services>
- OSPA: <https://www.research.uky.edu/office-sponsored-projects-administration>
- CGS: <https://www.research.uky.edu/collaborative-grant-services>
- BPM: <https://www.uky.edu/ufs/business-procedures-manual>
- Sponsored Project Bits & Pieces Presentations: <http://www.uky.edu/ufs/sponsored-projects-bits-pieces-presentations>
- Sponsored Project Financial Management - FAQs Presentations: <https://www.uky.edu/ufs/sponsored-projects-financial-management-faqs>
- Uniform Guidance (UG): <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

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